

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Employers and unions that currently offer retiree medical coverage that includes prescription drug benefits have several options under the Medicare Modernization Act (MMA). These options include becoming Part D plans themselves through direct contracting or obtaining customized coverage for their retirees through special arrangements with Part D sponsors. Both options involve the use of CMS waivers authorized under Sections 1857(i) and 1860D-22(b) of the Social Security Act (*see* February 11, March 9, and April 6, 2005 guidance). Specific waiver guidance documents are located at: <http://www.cms.hhs.gov/medicarerereform/pdbma/employer.asp>.

The chart below summarizes the instructions employer/union direct contractors and Prescription Drug Plan (PDP), Medicare Advantage Prescription Drug Plan (MA-PD) and Cost Plan sponsors must follow during the application process in order to be eligible to offer employer/union retiree Part D plans through the use of these waivers. The chart summarizes the waivers that are available to each entity, where in the corresponding application the waiver applies to modify the application submission requirements and, when applicable, what information must be submitted in support of the waiver with the entity's application. Please note that the chart is a summary designed to assist applicants in the application process and it does not in any way modify and/or supersede the official waiver guidance documents issued previously. Also included (Attachment A) is more specific guidance on what needs to be submitted in a request for additional individual waivers not already approved by CMS.

Employer/Union Direct Contract Applications:

For direct employer/union applications, please complete the same PDP solicitation for application (March 9, 2005 version located at <http://www.cms.hhs.gov/pdps/>) that applies to the non-group (individual) market. Follow all of the same directions in the application (including how applications materials must be packaged, the number of copies and how and to whom the application must be sent; *see* Section 2.6 of solicitation for application), unless sections of the application requirements have been modified by particular waivers (*see* chart below). In addition, the employer/union sponsor must:

- Submit a cover sheet with the PDP application that indicates that the application is an employer/union direct contract application;
- Include with the cover sheet:
 - the contract number received in the Notice of Intent process (“S number”) (**If you did not receive a contract number, please send an email to: cmsemployerwaivers@cms.hhs.gov immediately**);
 - how many different formularies the sponsor intends to submit on June 6, 2005;
 - whether the plan will operate on a non-calendar year and if so, the exact dates on which the plan will operate;

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(4/6/2005)

- a checklist of each of the waivers in the chart below that the employer/union sponsor is intending to utilize; and
- For those waivers that require materials to be submitted, include these materials with the section of the application to which they apply (as noted in the chart below).

Also, please remember that employer/union direct contract applications must be received by 5:00 EDT on Monday, April 25, 2005. It also would help to speed the processing of these applications for employer/union sponsors to note in the attention line of the mailing label addressed to Ms. Mack (“Attention Marietta Mack: Employer Group Direct Contract”)

PDPs, MA-PDs and Cost Plan Employer/Union Retiree Group Applications:

PDPs, MA-PDs and Cost Plans¹ seeking to apply to offer employer/union retiree group plans are not required to submit another full solicitation for application in addition to the one already submitted for the non-group market on March 23, 2005. Instead, these Part D sponsors must submit additional application materials in support of their request to offer a Part D plan to the employer group market through the use of CMS waivers. The sponsor must:

- Submit a cover sheet that indicates that the application is an employer/union-only group plan application;
- Include with the cover sheet:
 - the contract number provided for the corresponding individual market application (“S” (PDP), “H” (Local MA-PD), or “R” (Regional MA-PD) number); **(If you did not receive a contract number or do not know your contract number, please send an email to: cmsemployerwaivers@cms.hhs.gov immediately);**
 - how many new formularies the sponsor intends to submit on June 6, 2005 for the employer group market that are different from what the sponsor intends to submit on April 18, 2005 for the non-group market;
 - whether the plan will operate on a non-calendar year and if so, the exact dates on which the plan will operate; and
 - a checklist of each of the waivers in the chart below that the employer/union sponsor is intending to utilize.

¹ For Cost Plans, Part D coverage is an optional supplemental benefit and CMS’ employer group waiver authority applies only to Part D, not to Parts A or B.

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(4/6/2005)

- Attach any supporting information/documentation required for those waivers that require additional/different materials to be submitted (as noted in the chart below) ;
- Attach an additional executed certification (as required by Section 4.0 of each solicitation for application) which will apply to all of the supplemental waiver application materials submitted by the sponsor;
- Indicate all of the areas the sponsor intends to offer employer group coverage to retirees (for local MA-PD plans - the state and county (if partial counties, indicate zip codes); for regional MA-PDs – the MA regions; for PDP plans – the PDP regions).
- Follow the same procedures that were used for submitting the non-group application as for submitting these supplemental materials (i.e., number of copies of materials, inclusion of certain materials on CDs, addressee for mailing purposes, etc.; *see* Section 2.6 of solicitation for application).

Also, please remember that employer/union-only group applications must be received by 5:00 EDT on Monday, April 25, 2005. It also would help to speed the processing of these applications for plan sponsors to note in the attention line of the mailing label addressed to Ms. Mack (“Attention Marietta Mack: Employer Group Plan: [insert] PDP, MA-PD or Cost Plan” [depending on applicant type])”

If you have questions about these application instructions or employer group waivers, please send your questions via email to: cmsemployerwaivers@cms.hhs.gov. Also, CMS will be holding several special user group calls to assist employer/union sponsors with these instructions. Call-in information and instructions for these calls will be posted at: <http://www.cms.hhs.gov/medicarereform/pdbma/employer.asp>.

In addition, at the bottom right hand corner of this same page, there is a link to subscribe to our LISTSERV for future employer group announcements.

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(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Modification of the timeframes for submission of application materials	<p>March 23, 2005: Notice of intent to apply due (Direct contracts PDPs only)</p> <p>April 25, 2005: Employer/union sponsored group applications due</p> <p>June 6, 2005: Employer/union sponsored group formularies due</p> <p><i>(see February 11, 2005 guidance)</i></p> <p>July 1, 2005: Employer/union sponsored group bids due (except for Regional MA-PDs which are due on the non-group schedule of June 6, 2005 in order to calculate the regional MA benchmark)</p> <p><i>(see April 6, 2005 guidance)</i></p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p>	<p>N/A</p> <p>YES</p> <p>YES</p> <p>YES</p>	<p>All references to corresponding timeframes in sections 1 and 2 are modified</p>	<p>All references to corresponding timeframes in sections 1 and 2 are modified</p>	<p>All references to corresponding timeframes in sections 1 and 2 are modified</p>	<p>To comply with the particular requirements for submission of an employer group application, formularies and bids within the deadlines established by the applicable timeframes.</p>

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Ability to Restrict Enrollment To Retirees Only	Employer/union sponsored group plans may restrict enrollment solely to their retirees (i.e., do not have to comply with the requirements of 42 CFR 423.104(b)). (see February 11, 2005 guidance)	YES	YES	<u>Section 3.5</u> A-1, A-2, A-3	MA-PD enrollment requirements are detailed in the Part C solicitation for application	<u>Section 3.4</u> A-1, A-2	None – upon approval as a Part D employer/union sponsored plan, may automatically restrict enrollment to retirees only.
Minimum Enrollment Requirements	Employer/union sponsored group plans do not have to comply with the minimum enrollment standards listed in 42 CFR 423.512(a). (see February 11, 2005 guidance)	YES	YES	Not contained in PDP solicitation for application	MA-PD minimum enrollment requirements are detailed in the Part C solicitation for application	Not contained in Cost Plan solicitation for application	None – upon approval as a Part D employer/union sponsored plan, will automatically not be subject to minimum enrollment requirements.

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Cost Sharing Requirements	<p>Employer/union sponsored group plans do not have to comply with the 42 CFR 423.104(e)(5) actuarial equivalence test. Instead, within the range between the deductible and the initial coverage limit, these plan designs may provide somewhat less coverage than defined Part D standard prescription drug coverage. To offset the lower coverage level in the initial coverage period, the deductible may be lowered and/or the coverage gap may be decreased. However, the total benefit package overall must be at least actuarially equivalent to the standard Part D benefit and all of the other actuarial equivalence standards must be met.</p> <p>(see March 9 and April 6, 2005 guidance)</p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	None – waiver automatically applies. However, sponsor must comply with non-group market bidding procedures and submit the necessary information in the bidding process (<i>see</i> attestation requirements referred to for the bidding process in April 6, 2005 guidance).

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Pharmacy Access Requirements	<p>Employer/union sponsored group plans will not be subject to the Part D retail pharmacy access standards in 42 CFR 423.120(a) (i.e., “Tricare” retail standards)</p> <p><i>(see March 9, 2005 guidance)</i></p>	YES	YES	<u>Section 3.4.1</u>	<u>Section 3.4.1</u>	<u>Section 3.3.1</u>	<p>Must provide documentation to demonstrate that the plan’s networks are sufficient to meet the needs of its retiree population, including situations involving emergency access. This documentation should include a brief description of how sufficient access will be assured. CMS may review the adequacy of the pharmacy networks and potentially require expanded access in the event of beneficiary complaints or for other reasons it determines in order to ensure that the plan’s networks is sufficient. (Note: the certification provided in Section 4.0 of the application will suffice as the attestation to these materials).</p>

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Marketing/Beneficiary Communications Requirements	<p>Employer/union sponsored group plans will not be required to comply with the marketing/beneficiary communication requirements of 42 CFR 423.50(a) and 423.128 if plans are subject to sufficient alternative disclosure standards.</p> <p><i>(see March 9, 2005 guidance)</i></p>	YES	YES	<u>Section 3.10</u>	<u>Section 3.8</u>	<u>Section 3.8</u>	<p>Must provide documentation to demonstrate that the plan complies with certain required alternative disclosure standards (e.g., ERISA disclosure standards). Such alternative materials must be provided to CMS at the time of use and to beneficiaries on a timely basis (“file and use”). CMS may review these materials in the event of beneficiary complaints or for other reasons it determines to ensure the information adequately informs Medicare beneficiaries about their rights and obligations under the plan. (Note: the certification provided in Section 4.0 of the application will suffice as the attestation to these materials).</p>

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Service Area Requirements	<p><u>Employer/Union direct contracts:</u> Coverage can be extended to all retirees regardless of where they reside in the nation.</p> <p><i>(see February 11, 2005 guidance)</i></p> <p><u>PDPs offering employer/union-only group plans:</u> In order to qualify for a waiver of the service area requirements of 42 CFR 423.112(a), the PDP must offer non-retiree coverage (either itself or through subcontractors or other partners) in the area where the most substantial portion of the employer's/union's total number of employees retirees (or, for union funds, participants) reside. If the requirement is satisfied, coverage may then be offered to all of the employer's/union's retirees regardless of where in the country they reside. If the PDP only offers non-retiree coverage (either itself or through subcontractors or other partners) in a region other than where the most substantial portion of employee (or for union funds, participants, reside) then coverage for retirees is limited to that same region.</p> <p><i>(see April 6, 2005 guidance)</i></p>	YES	N/A	<p><u>Section 3.3</u> A-2 <u>Section 3.5</u> A-2</p>	<p><u>Section 3.3</u> A- 1</p>	<p>Not contained in Cost Plan solicitation for application</p> <p>Not contained in Cost Plan solicitation for application</p>	<p>None – waiver automatically applies.</p> <p>The plan must provide a specific, separate attestation that it has conducted an actual review of where the substantial portion of the employer's/union's retirees reside and that area corresponds to the area that the plan (either itself or through subcontractors or other partners) offers non-group coverage. (Note: the certification provided in Section 4.0 of the application will <u>not</u> suffice as the attestation to these materials). The plan must also maintain adequate supporting documentation to demonstrate that this review was actually undertaken, the date it was undertaken, by whom the review was undertaken, etc., in the event of a CMS audit and review of this requirement.</p>

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Service Area Requirements (Cont.)	<p><u>MA-PDs offering employer/union-only group plans</u>: The service area rules for MA plans prior to passage of the MMA will continue to apply to Local MA-PD plans (and MA-only plans). Thus, if a Local MA-PD sponsor provides coverage to individuals in any part of a State, it can offer retiree-only coverage for an employer or union throughout that State. For Regional MA-PD plans, the MA-PD sponsor can provide retiree-only coverage in any area within, or throughout the MA region in which it provides coverage to individuals. CMS may, on a case-by-case basis, grant a waiver to permit a regional MA or MA-PD providing coverage under an employer or union-sponsored retiree plan to extend coverage to the employer or union retirees living outside such region.</p> <p>(see April 6, 2005 guidance)</p>	N/A	YES	N/A	<u>Section 3.3 A1</u>	Not contained in Cost Plan solicitation for application	None – waiver automatically applies.

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State Licensure	<p>For employer/union sponsored group plans that directly contract with CMS, the state licensure requirement of 42 CFR 423.401(a)(1) and 42 CFR 423.504(b)(2) will be waived, thus allowing an unlicensed employer or union group to sponsor their own PDP or MA-PD plan. However, certain financial solvency requirements must be satisfied (<i>see</i> financial solvency waiver below).</p> <p>(<i>see</i> February 11, 2005 guidance)</p>	YES	NO	<u>Section 3.1.3</u> A, C, D	N/A	N/A	Must submit necessary documentation that demonstrates the entity meets certain financial solvency standards (<i>see</i> Financial Solvency Requirements waiver summary below).

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Financial Solvency Requirements	<p>For employer/union groups directly contracting with CMS, certain solvency and other standards will be required if state licensure is waived for that entity. If the employer or union does not meet the standards described in appendix X of the PDP application (requirements of 42 CFR 423.420), CMS may in its discretion approve, on a case-by-case basis, waivers of such requirements upon a demonstration from the entity that its fiscal soundness is commensurate with its financial risk and that through other means the entity can assure that claims for benefits paid for by CMS and beneficiaries will be covered.</p> <p>(see March 9, 2005 guidance)</p>	YES	NO	<u>Section 3.1.3 B</u>	N/A	N/A	<p>Financial solvency requirements will be reviewed and approved on a case-by-case basis. Documentation must be submitted to CMS which demonstrates that the solvency standards described in appendix X of the PDP application are satisfied, or alternately, documentation must be provided that demonstrates that the entity's fiscal soundness is commensurate with its financial risk and that through other means the entity can assure that claims for benefits paid for by CMS and beneficiaries will be covered. In all cases, CMS will require that the employer's or union's contracts and subcontracts contain beneficiary hold harmless provisions described in appendix X and other CMS guidance.</p>

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Management and Operations Requirements	<p>In general, an entity seeking to contract with CMS as a Part D sponsor must have policy-making bodies exercising oversight and control to ensure actions are in the best interest of the organization and its enrollees, appropriate personnel and systems relating to prescription drug services, administration and management, and an executive manager whose appointment and removal are under the control of the policy-making body, pursuant to 42 CFR 423.504 (b)(4)(i)-(iii). Employer/union groups directly contracting with CMS may be subject to other acceptable standards governing its management and operations, such as ERISA fiduciary requirements, state law standards, and certain oversight standards created under the Sarbanes-Oxley Act. CMS waives the requirements of 42 CFR 423.504(b)(4)(i)-(iii) to the extent that an employer or union is subject to ERISA or other legal requirements governing management and operations</p> <p>CMS may waive bonding and insurance standards under 42 CFR 504(b)(4)(iv)-(v) on a case by case basis for a direct contract employer or union upon a demonstration that different legal standards (such as ERISA bonding standards) are satisfied.</p> <p>**Note: These Part D waivers and accompanying instructions apply to 2006 only.</p> <p>(see March 9, 2005 guidance)</p>	YES	NO	Section 3.1.1 A2, A4, A5, A6, C, D	N/A	N/A	<p>Must provide documentation to demonstrate that the entity (or to the extent applicable, the business associate with which it contracts for prescription drug services) is subject to and satisfies acceptable alternative standards (e.g., ERISA fiduciary requirements) or similar state or federal law standards and must describe the alternative management and operations requirements.</p> <p>Must provide documentation to demonstrate that the direct contract employer or union is subject to acceptable alternative legal standards (such as ERISA bonding standards) and that these different standards are satisfied.</p>

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Reporting Requirements	<p>In general, Part D plan Sponsors must report certain information to CMS, to their enrollees, and to the general public, such as the cost of their operations and financial statements, under 42 CFR 423.514 (a). To avoid imposing additional and possibly conflicting <u>public</u> disclosure obligations that would hinder the offering of employer or union direct contract arrangements, CMS will modify these public reporting requirements to require information regarding such arrangements be reported to enrollees and to the general public to the extent required by other law (including ERISA or securities laws) or by contract.</p> <p><i>(see March 9, 2005 guidance)</i></p>	YES	NO	<u>Section 3.13</u>	N/A	N/A	None – waiver automatically applies.

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Governmental Entities	<p>In order to allow governmental entities to directly contract with CMS for their retirees, the non-governmental requirement in Section 1860D-41(a)(13) of the MMA that prohibits governmental entities from being PDP or MA-PD sponsors will be waived.</p> <p><i>(see February 11, 2005 guidance)</i></p>	YES	NO	<u>Section 3.1.1 A2</u>	N/A	N/A	None – waiver automatically applies.

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Bid Submissions	<p>CMS will waive the requirements of 42 CFR 423.265(c) by allowing employer/union plan sponsors to submit Part D bids in a manner similar to the flexible method offered to MA organizations in the past. Under this approach, CMS will require that the Part D plan sponsors submit bids for employer or union sponsored group plans only for the standardized Part D coverage. Any supplemental coverage will remain a private negotiation between the Part D plans and employer/union, or in the case of a direct contract, will be provided separately by the employer/union. Thus, Part D plans will not have to submit a separate bid in 2006 for each employer/union Part D benefit design variation.</p> <p><i>(see April 6, 2005 guidance)</i></p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	<p>Must submit the necessary information in the bidding process including an attestation that the total employer or union sponsored plan (including adjusting for any supplemental coverage) is providing at least the standard Part D coverage (<i>see April 6, 2005 guidance</i>).</p>

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Uniform Premium Requirements	<p>42 CFR 423.286(a) requires that each Part D plan that provides coverage in the non-group market must charge a uniform premium to the beneficiaries enrolled in that plan. This waiver clarifies that employer/union group plans have flexibility to determine how much of a retiree's plan premium they will subsidize and therefore how much of the premium the beneficiary will pay, subject to certain restrictions (<i>see</i> guidance for detail on applicable restrictions).</p> <p>(<i>see April 6, 2005 guidance</i>).</p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	Part D employer group plans (excluding employer/union direct contracts) must obtain written agreements from employers or unions indicating that they will satisfy the requirements of the waiver described in the guidance with respect to the premiums charged to their participants.

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Low Income Subsidy	<p>The low income requirements of 42 CFR 423.771 <i>et seq.</i> apply to employer/union sponsored group plans. However, as a condition of becoming an employer/union group plan, the low income subsidies will have to be passed through to the beneficiaries in the manner described in the guidance.</p> <p>(see April 6, 2005 guidance)</p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	Part D employer group plans (excluding employer/union direct contracts) must obtain written agreements from employers or unions indicating that they will satisfy the requirement to offset the premium amounts collected from their low income eligible retirees by the amount of the applicable low income subsidy in the manner described in the guidance.

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Premium Withhold	<p>Section 1860D-13(c)(1) of the MMA requires that beneficiaries have the option to have their Part D premium automatically withheld from their Federal annuities (e.g., Social Security, Railroad Retirement, or OPM annuity). For 2006, the option of premium withhold will not be permitted for employer/union group plans.</p> <p><i>(see April 6, 2005 guidance)</i></p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	<p>Part D plans (excluding employer/union direct contracts) will be required to bill the beneficiary and/or the employer/union directly to collect the premium (as Part C plans do today)</p> <p>(see April 6, 2005 guidance).</p>

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Requirement to Operate on a Calendar Year Basis	<p>(Section 1860D-1(a)(2) of the MMA requires Part D plans to operate on a calendar year basis. Employer/union sponsored group plans will be allowed to operate on a non-calendar year basis. These plans are permitted to determine benefits (including deductibles, out-of-pocket limits, etc.) on a non-calendar year basis. However, bids and other submissions to CMS, along with CMS payments, will be determined on a calendar year basis, in a process similar to the process currently used for employer and union-sponsored MA plans.</p> <p>Special transition rules apply for plan years that begin in 2005. CMS will allow a special enrollment period for members of a non-calendar Part D retiree plan to leave and enroll in another plan.</p> <p>(see April 6, 2005 guidance)</p>	YES	YES	N/A	N/A	N/A	Must identify the plan as a non-calendar year plan and the exact dates of the non-calendar year in the application materials submitted to CMS. Must comply with all the specific CMS benefit administration and enrollment requirements for these plans (see April 6, 2005 guidance).

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Group Enrollment	<p>To the extent the employer or union is a beneficiary's authorized representative under applicable law, an employer or union may enroll the beneficiaries into its Part D plan. If the employer or union is not the beneficiary's authorized representative, CMS will waive the individual enrollment provisions under 42 CFR 423.32 to allow employer group plans to enroll their retirees under a special group enrollment process. Certain procedural requirements apply to the group enrollment process (<i>see</i> guidance for details)</p> <p>(see April 6, 2005 guidance)</p>	YES	YES	Not contained in PDP solicitation for application	Not contained in MA-PD solicitation for application	Not contained in Cost Plan solicitation for application	<p>Entity must advise all beneficiaries that the employer/union intends to enroll them into the Part D plan that the employer/union is offering unless the beneficiary affirmatively opts out of such enrollment (information must be provided at least 30 days prior to the effective date of enrollment). Information must also include a summary of benefits offered, an explanation of how to get more information on the plan, and how to contact Medicare for information on other available Part D plans. Enrollment information must be electronically provided in accordance with future instructions.</p>

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

Available Part D Employer/Union Sponsored Group Waiver	General Description of Waiver	Waiver available for Employer/Union Direct Contracts ?	Waiver available for PDP/MA-PD/Cost Plans?	Corresponding section(s) of non-group PDP application affected by waiver	Corresponding section(s) of non-group MA-PD application affected by waiver	Corresponding section(s) of non-group Cost Plan application affected by waiver	Actions Needed By Employers/Union Group Plan Sponsors To Utilize Waiver
Requests for Waiver of Additional Requirements	42 CFR 423.458(c)(1) provides that CMS may waive or modify any Part D requirement that hinders the design of, the offering of, or the enrollment in an employer-sponsored group prescription drug plan.	YES	YES	N/A	N/A	N/A	Any entity seeking to offer, sponsor, or administer an employer-sponsored group prescription plan may request, in writing, a waiver or modification of additional requirements under this Part that hinder its design of, the offering of, or the enrollment in, such employer-sponsored group prescription drug plans. Waivers or modifications approved by CMS apply to any similarly situated entity seeking to offer, sponsor, or administer an employer-sponsored group prescription drug plan, meeting the conditions of the waiver or modification. 42 CFR 423.458(c)(2) (<i>see</i> attachment for specific details)

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**

**2006 Part D Application Instructions for Employer/Union Sponsored Retiree Group Plans
(Employer/Union Direct Contractors and PDP/MA-PD/Cost Plan Sponsors Offering Employer/Union Retiree Group Plans)****

(4/6/2005)

(ATTACHMENT A)

Instructions for Additional Employer/Union Sponsored Plan Waiver Requests

Individual waiver requests must include the name of the employer/union direct contract, PDP, MA-PD or Cost Plan sponsor (refer to contract number), and fully address the following items:

- Provisions of existing statutory and/or regulatory requirement the entity is requesting to be waived/modified (please be explicit as to whether you are requesting a waiver or a modification of these requirements);
- How the particular requirements hinder the design of, the offering of, or the enrollment in, the employer-sponsored group plan;
- Executive summary of the requested waiver/modification;
- Detailed description of the waiver/modification requested including how the waiver/modification will remedy the impediment (i.e., hindrance) to the design of, the offering of, or the enrollment in, the employer-sponsored group prescription drug plan;
- Description of the effect of the requested waiver/modification on each of CMS' overall policy goals (i.e., providing Part D group plan sponsors with maximum flexibility and minimum administrative burden so they will keep offering and retirees can retain high quality prescription drug coverage, adherence to budgetary constraints, and adherence to appropriate protections that Medicare enrollees may expect when enrolling in a Part D plan);
- Other details specific to the particular waiver that would assist CMS in the evaluation of the request;
- Contact information (name, position, phone, fax and email address) of the person who is available to answer inquiries about the waiver/modification request.

****Note: These Part D waivers and accompanying instructions apply to 2006 only.**